# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

**2020**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

**A** This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

**B** This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

**C** If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

**D** Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
ALUMINUM PRECISION PRODUCTS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

**1b** Three-digit plan number (PN) ▶ 002

**1c** Effective date of plan 01/01/2009

**2a** Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
ALUMINUM PRECISION PRODUCTS, INC.

3333 W WARNER AVE
SANTA ANA, CA 92704

**2b** Employer Identification Number (EIN) 95-2400026

**2c** Plan Sponsor's telephone number 714-546-8125

**2d** Business code (see instructions) 332110

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/14/2021 | SIMONA MANOIU |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

**3a** Plan administrator's name and address [X] Same as Plan Sponsor

**3b** Administrator's EIN

**3c** Administrator's telephone number

**4** If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:
**a** Sponsor's name
**c** Plan Name

**4b** EIN

**4d** PN

| | | |
|---|---|---|
| **5** Total number of participants at the beginning of the plan year | **5** | 884 |
| **6** Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**). | | |
| **a(1)** Total number of active participants at the beginning of the plan year | **6a(1)** | 650 |
| **a(2)** Total number of active participants at the end of the plan year | **6a(2)** | 503 |
| **b** Retired or separated participants receiving benefits | **6b** | 0 |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 347 |
| **d** Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 850 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 3 |
| **f** Total. Add lines **6d** and **6e** | **6f** | 853 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 842 |
| **h** Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 80 |
| **7** Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2I 2E 2O 3H 3I

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

**9a** Plan funding arrangement (check all that apply)

- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] Trust
- **(4)** [ ] General assets of the sponsor

**9b** Plan benefit arrangement (check all that apply)

- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] Trust
- **(4)** [ ] General assets of the sponsor

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

- **(1)** [X] **R** (Retirement Plan Information)
- **(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] 0 **A** (Insurance Information)
- **(4)** [ ] **C** (Service Provider Information)
- **(5)** [ ] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

## Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

**11a** If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

**11b** Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

**11c** Enter the Receipt Confirmation Code for the 2020 Form M-1 annual report. If the plan was not required to file the 2020 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2020**

**This Form is Open to Public Inspection**

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

**A** Name of plan
ALUMINUM PRECISION PRODUCTS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
ALUMINUM PRECISION PRODUCTS, INC.

**D** Employer Identification Number (EIN)
95-2400026

## Part I Asset and Liability Statement

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | 7339 | 27 |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 0 | 4000000 |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | | |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 5979469 | 5234106 |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | | |
| **(5)** Partnership/joint venture interests | 1c(5) | | |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | | |
| **(9)** Value of interest in common/collective trusts | 1c(9) | | |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | | |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | | **(a)** Beginning of Year | **(b)** End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | **1d(1)** | 34352661 | 27800588 |
| | **(2)** Employer real property | **1d(2)** | | |
| **e** | Buildings and other property used in plan operation | **1e** | | |
| **f** | Total assets (add all amounts in lines 1a through 1e) | **1f** | 40339469 | 37034721 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | **1g** | | |
| **h** | Operating payables | **1h** | | |
| **i** | Acquisition indebtedness | **1i** | | |
| **j** | Other liabilities | **1j** | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | **1k** | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | **1l** | 40339469 | 37034721 |

## Part II Income and Expense Statement

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

| | | | **(a)** Amount | **(b)** Total |
|---|---|---|---|---|
| | **Income** | | | |
| **a** | **Contributions:** | | | |
| | **(1)** Received or receivable in cash from: **(A)** Employers | **2a(1)(A)** | 4000000 | |
| | **(B)** Participants | **2a(1)(B)** | | |
| | **(C)** Others (including rollovers) | **2a(1)(C)** | | |
| | **(2)** Noncash contributions | **2a(2)** | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | **2a(3)** | | 4000000 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | **2b(1)(A)** | 22522 | |
| | **(B)** U.S. Government securities | **2b(1)(B)** | | |
| | **(C)** Corporate debt instruments | **2b(1)(C)** | | |
| | **(D)** Loans (other than to participants) | **2b(1)(D)** | | |
| | **(E)** Participant loans | **2b(1)(E)** | | |
| | **(F)** Other | **2b(1)(F)** | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | **2b(1)(G)** | | 22522 |
| | **(2)** Dividends: **(A)** Preferred stock | **2b(2)(A)** | 901771 | |
| | **(B)** Common stock | **2b(2)(B)** | | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | **2b(2)(C)** | | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | **2b(2)(D)** | | 901771 |
| | **(3)** Rents | **2b(3)** | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | **2b(4)(A)** | | |
| | **(B)** Aggregate carrying amount (see instructions) | **2b(4)(B)** | | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | **2b(4)(C)** | | 0 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | **2b(5)(A)** | | |
| | **(B)** Other | **2b(5)(B)** | -6552074 | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | **2b(5)(C)** | | -6552074 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| **(6)** Net investment gain (loss) from common/collective trusts | 2b(6) | | |
| **(7)** Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| **(8)** Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| **(9)** Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| **(10)** Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | |
| **c** Other income | 2c | | |
| **d** Total income. Add all **income** amounts in column (b) and enter total | 2d | | -1627781 |
| **Expenses** | | | |
| **e** Benefit payment and payments to provide benefits: | | | |
| **(1)** Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 1676967 | |
| **(2)** To insurance carriers for the provision of benefits | 2e(2) | | |
| **(3)** Other | 2e(3) | | |
| **(4)** Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 1676967 |
| **f** Corrective distributions (see instructions) | 2f | | |
| **g** Certain deemed distributions of participant loans (see instructions) | 2g | | |
| **h** Interest expense | 2h | | |
| **i** Administrative expenses: **(1)** Professional fees | 2i(1) | | |
| **(2)** Contract administrator fees | 2i(2) | | |
| **(3)** Investment advisory and management fees | 2i(3) | | |
| **(4)** Other | 2i(4) | | |
| **(5)** Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 0 |
| **j** Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 1676967 |
| **Net Income and Reconciliation** | | | |
| **k** Net income (loss). Subtract line **2j** from line **2d** | 2k | | -3304748 |
| **l** Transfers of assets: | | | |
| **(1)** To this plan | 2l(1) | | |
| **(2)** From this plan | 2l(2) | | |

## Part III Accountant's Opinion

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

**(1)** [ ] Unmodified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

**b** Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

**(1)** [X] DOL Regulation 2520.103-8 **(2)** [ ] DOL Regulation 2520.103-12(d) **(3)** [ ] neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

**c** Enter the name and EIN of the accountant (or accounting firm) below:

**(1)** Name: HOLTHOUSE, CARLIN & VAN TRIGT LLP **(2)** EIN: 95-4345526

**d** The opinion of an independent qualified public accountant is **not attached** because:

**(1)** [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

## Part IV Compliance Questions

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | | X | |

| | | | Yes | No | Amount |
|---|---|---|---|---|---|
| **b** | Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | **4b** | | X | |
| **c** | Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | **4c** | | X | |
| **d** | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | **4d** | | X | |
| **e** | Was this plan covered by a fidelity bond? | **4e** | X | | 2500000 |
| **f** | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | **4f** | | X | |
| **g** | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | **4g** | | X | |
| **h** | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | **4h** | | X | |
| **i** | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | **4i** | X | | |
| **j** | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.) | **4j** | X | | |
| **k** | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | **4k** | | X | |
| **l** | Has the plan failed to provide any benefit when due under the plan? | **4l** | | X | |
| **m** | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | **4m** | | X | |
| **n** | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3 | **4n** | | | |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No

If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

| **5b(1)** Name of plan(s) | **5b(2)** EIN(s) | **5b(3)** PN(s) |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

**5c** Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2020**

**This Form is Open to Public Inspection.**

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

**A** Name of plan
ALUMINUM PRECISION PRODUCTS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
ALUMINUM PRECISION PRODUCTS, INC.

**D** Employer Identification Number (EIN)
95-2400026

## Part I Distributions

**All references to distributions relate only to payments of benefits during the plan year.**

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1** 0

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 39-6436442

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year ..... **3**

## Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

**6** **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) ..... **6a**

**b** Enter the amount contributed by the employer to the plan for this plan year ..... **6b**

**c** Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... **6c**

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

## Part III Amendments

**9** If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

## Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☒ **No**

**11** **a** Does the ESOP hold any preferred stock? ..... ☒ **Yes** ☐ **No**

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☒ **No**

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☒ **Yes** ☐ **No**

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

**14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

| | | |
|---|---|---|
| **a** The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment) | **14a** | |
| **b** The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) | **14b** | |
| **c** The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) | **14c** | |

**15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

| | | |
|---|---|---|
| **a** The corresponding number for the plan year immediately preceding the current plan year | **15a** | |
| **b** The corresponding number for the second preceding plan year | **15b** | |

**16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

| | | |
|---|---|---|
| **a** Enter the number of employers who withdrew during the preceding plan year | **16a** | |
| **b** If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers | **16b** | |

**17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

## Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

**18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

**19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

**a** Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

**b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

**20** **PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

**a** Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

**b** If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation_____

# ALUMINUM PRECISION PRODUCTS, INC.
# EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS,
SUPPLEMENTAL SCHEDULES,
AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2020

HCVT
HOLTHOUSE | CARLIN | VAN TRIGT LLP

**ALUMINUM PRECISION PRODUCTS, INC.**
**EMPLOYEE STOCK OWNERSHIP PLAN**
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HOLTHOUSE | CARLIN | VAN TRIGT LLP

**INDEPENDENT AUDITOR'S REPORT**

To the ESOP Committee of the
Aluminum Precision Products, Inc. Employee Stock Ownership Plan:

**Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of the Aluminum Precision Products, Inc. Employee Stock Ownership Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2020 and 2019, and the related statement of changes in net assets available for benefits for the year ended December 31, 2020, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

***Basis for Disclaimer of Opinion***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by GreatBanc Trust Company, the Trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the Trustee as of December 31, 2020 and 2019, and for the year ended December 31, 2020, that the information provided to the plan administrator by the Trustee is complete and accurate.

***Disclaimer of Opinion***

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

HCVT
HOLTHOUSE | CARLIN | VAN TRIGT LLP

***Report on Supplemental Schedules***

The supplemental schedules of Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2020 and the Schedule H, Line 4j – Schedule of Reportable Transactions for the year ended December 31, 2020 are required by the DOL Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on these supplemental schedules.

**Report on Form and Content in Compliance with DOL Rules and Regulations**

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the Trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with DOL Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Holthouse Carlin & Van Trigt LLP

Long Beach, California
October 13, 2021

**ALUMINUM PRECISION PRODUCTS, INC.**
**EMPLOYEE STOCK OWNERSHIP PLAN**
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

| AS OF DECEMBER 31, | 2020 | 2019 |
|---|---|---|
| **Assets** | | |
| Noninterest-bearing cash | $ 27 | $ 7,339 |
| Investments, at fair value | 33,034,694 | 40,332,130 |
| Receivable: | | |
| Company contributions | 4,000,000 | - |
| **Total assets** | 37,034,721 | 40,339,469 |
| **Liabilities** | - | - |
| **Net assets available for benefits** | $ 37,034,721 | $ 40,339,469 |

*See notes to financial statements.*

# ALUMINUM PRECISION PRODUCTS, INC.
# EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

| FOR THE YEAR ENDED DECEMBER 31, | | 2020 |
|---|---|---|
| **Additions** | | |
| Company contributions | $ | 4,000,000 |
| Dividend income on investments | | 901,771 |
| Interest income on investments | | 22,522 |
| **Total additions** | | 4,924,293 |
| **Deductions** | | |
| Net depreciation of investments | | 6,552,074 |
| Benefits paid to participants | | 1,676,967 |
| **Total deductions** | | 8,229,041 |
| **Net decrease** | | (3,304,748) |
| **Net assets available for benefits** | | |
| Beginning of year | | 40,339,469 |
| End of year | $ | 37,034,721 |

*See notes to financial statements.*

## 1. PLAN DESCRIPTION

The following description of the Aluminum Precision Products, Inc. Employee Stock Ownership Plan (the "Plan") provides only general information. Participants and other interested parties should refer to the Plan document for a more complete description of the Plan's provisions.

***General -*** Aluminum Precisions Products, Inc. (the "Company" and "Plan Sponsor") established the Plan effective as of January 1, 2009. The Plan is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code ("IRC") of 1986, as amended and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended. The Company has appointed individuals to serve on an ESOP Committee to assist GreatBanc Trust Company (the "Trustee") in discharging their responsibilities under the Plan.

***Eligibility -*** Active employees of the Company participating in the Company's 401(k) plan automatically become a participant in the Plan. Participants who are not 18 years of age, do not have at least 1,000 hours of service during a Plan year and are not employed on the last day of the Plan year are generally not eligible for an allocation of Company contributions for such year.

***Contributions -*** The Company provides for discretionary profit sharing contributions to the Plan. During the year ended December 31, 2020, the Company made a $4,000,000 discretionary profit sharing contribution. Employee contributions are not permitted.

***Participant Accounts -*** Each participant's account is credited with allocations of the Company's discretionary profit sharing contribution and Plan earnings, and charged with any withdrawals or distributions requested by the participant, investment losses and allocation of administrative expenses, if applicable. Allocations are based on participant earnings or account balances, as defined, and the Company's discretionary profit sharing contribution and Plan forfeitures are allocated to each participant's account based upon the relation of the participant's compensation to total compensation for the Plan year. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

***Vesting -*** Participants are vested immediately in their prior Company safe harbor contributions. Vesting in the Company's discretionary profit sharing contribution portion of their accounts is based on years of service. Participants are vested in Company discretionary profit sharing contributions at 20 percent after two years of services and an additional 20 percent each year thereafter until 100 percent vested upon six years of service. While still employed with the Company, if a participant becomes disabled, dies or reaches normal retirement age, the participant becomes 100 percent vested.

***Put Option -*** Under federal income tax regulations, the Company stock that is held by the Plan and is not readily tradable on an established market, or is subject to trading limitations includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the current appraised value of the stock. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

***Diversification -*** Diversification is offered to qualified participants so that they may have the opportunity to move part of the value of their investment in Company stock into investments which are more diversified. Participants who have reached 55 years of age and have completed ten years of participation in the Plan may elect to diversify a portion of their account, as defined in the Plan. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25 percent of the number of shares of Company stock allocated to his or her account, less any amounts previously withdrawn. In the sixth year, the percentage changes to 50 percent. Participants who elect to diversify receive a cash distribution and diversification payments, if any, are included in benefits paid to participants in the accompanying statement of changes in net assets available for benefits.

***Voting Rights -*** With respect to certain extraordinary transactions such as a merger, consolidation, recapitalization, reclassification, liquidation, dissolution, or sale of substantially all of the Company's assets, each participant is entitled to exercise voting rights attributable to the shares of Company stock allocated to his or her account. In other circumstances, the Trustee votes on behalf of the shares of the Company stock held by the Plan.

***Forfeitures -*** Forfeitures of Company contributions are reallocated to participants in the same manner as Company contributions. During the year ended December 31, 2020, forfeitures of $39,283 were reallocated to participants and as of December 31, 2020, there are no forfeitures available for reallocation.

***Payment of Benefits -*** Distributions on account of death, disability, retirement or otherwise terminates employment with the Company are made in a lump sum in the Plan year following the event. Distributions are made in cash, or in the form of Company stock or partly in each, as determined by the ESOP Committee. Under the provisions of the Plan, participants may also make in-service withdrawals.

In the event a terminated Plan participant decides to sell his or her share of the Company stock, the Company may be required to repurchase the shares from the participant at fair market value. The Company did not make any purchases of stock from Plan participants during the year ended December 31, 2020.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Basis of Accounting -*** The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America, primarily from information provided by the Trustee.

***Estimates -*** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

***Investment Valuation and Income Recognition -*** The Plan's investments, including shares of Company common stock and Series A preferred stock, are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Since the primary investment asset of this Plan is stock of the Company, and because there is not an established market for the Company's stock, the stock is evaluated periodically, as provided in the Plan document, but at a minimum at each fiscal year end by an independent appraiser. See Note 3 for a discussion of the fair value measurement.

Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Purchases and sales of securities are recorded on a trade-date basis. The net depreciation in the fair value of the Company stock represents the unrealized decrease as determined at the end of each financial reporting period. The dividends are paid with cash into the Plan annually.

***Benefits Payable to Participants -*** Benefits are recorded when paid.

***Recent Accounting Pronouncements -*** In August 2018, the Financial Accounting Standards Board issued the Accounting Standards Update ("ASU") No. 2018-13, *Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. This ASU removes the requirements to disclose the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, the policy for timing of level transfers, the valuation processes for Level 3 fair value measurements, and the changes in unrealized gains and losses for the period included in earnings for recurring Level 3 fair value measurements held at the end of the reporting period. This ASU also modified existing disclosure requirements that in lieu of a rollforward for Level 3 fair value measurements, a nonpublic entity is required to disclose transfers into and out of Level 3 of the fair value hierarchy and purchases and issues of Level 3 assets and liabilities. In addition, this ASU requires for investments in certain entities that calculate net asset value to disclose the timing of liquidation of an investee's assets and the date when redemption restrictions might lapse, only if the timing was communicated to the entity or publicly announced, and disclose information on measurement uncertainty as of the reporting date. The amendments in this ASU are effective for fiscal years beginning after December 15, 2019. All amendments, with the exception of the disclosures on measurement uncertainty information, which should be applied prospectively for only the most recent annual period presented in the initial year of adoption, should be applied retrospectively. The Plan adopted this ASU for the year ended December 31, 2020. Other than the rollforward for Level 3 fair value measurements being replaced with disclosures of transfers into and out of Level 3 of the fair value hierarchy and purchases and issues of Level 3 assets and liabilities, this ASU did not have a material impact on the financial statements.

***Administrative Expenses -*** All expenses of maintaining the Plan are paid by the Company.

## 3. FAIR VALUE

The Plan accounts for its financial instruments using a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value measurement hierarchy is based on three levels of inputs, of which the first two are considered observable and the last unobservable.

The three levels of the fair value hierarchy are the following:

- Level 1 – Inputs to the valuation methodology that are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

- Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are inactive; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

- Level 3 – Inputs to the valuation that are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019.

*Money Market Fund* – Stated at carrying value which approximates fair value and therefore is classified as Level 1 within the valuation hierarchy.

*Company Stock* – The Company is privately held and its common stock and Series A preferred stock shares are held and valued based on an independent appraisal that utilizes unobservable inputs and, therefore, classified as Level 3 within the valuation hierarchy. For the years ended December 31, 2020 and 2019, the appraisal has been prepared using a nonmarketable minority interest basis. The fair value was calculated by analyzing the discounted cash flow approach and factoring in a five percent discount for lack of marketability to calculate the total value of the stock. The Series A preferred stock is senior to the common stock and is entitled to an annual cumulative dividend of $0.2466 per share. The Series A preferred shares are entitled to vote and are convertible at any time by the holder and upon specified defined events. The Series A preferred shares automatically convert, if not already converted, to common shares in approximately eight years from issuance based on a predefined formula, based on the dividends paid. The Series A preferred shares are callable by the Company at any time, subject to certain conditions, at a predefined price and have a liquidation preference calculated at the same per-share value as the call option.

In September 2020, all of the Series A preferred stock shares were converted on a 1:1 basis into common stock shares.

The discounted cash flow approach to valuation is based on the theory that the current value of an investment is based on the expected receipt of future economic benefits. The primary components to this approach: (1) the present value of interim cash flows plus the present value of the terminal value; (2) the terminal value was determined at the end of the projection period using an EBITDA multiple consistent with the EBITDA multiple observed in the guideline public company approach (see below). The discounted cash flow approach takes into consideration a discount factor based on the Company's weighted average cost of capital ("WACC"). The WACC for the December 31, 2020 and 2019 valuation was 15.2 percent and 14.7 percent, respectively.

The guideline public company approach involves the application of the appropriate market multiples, based on the comparable companies, to the subject company's representative levels of earnings and other measures. This analysis involved the screening and selection of public companies to find the five that are the most similar to the Company from an investment perspective. The comparisons included size, growth, risk, and profitability. The same valuation methodology was used to compute the values as December 31, 2020 and 2019.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Plan management believes its valuation methods are appropriate and consistent, the use of different methodologies or assumptions to determine the fair value of the Company's common stock could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value:

**Investments at Fair Value as of December 31, 2020**

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Money market fund | $ 5,234,107 | $ - | $ - | $ 5,234,107 |
| Company common stock | | - | 27,800,587 | 27,800,587 |
| **Total investments at fair value** | $ 5,234,107 | $ - | $ 27,800,587 | $ 33,034,694 |

**Investments at Fair Value as of December 31, 2019**

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Money market fund | $ 5,979,469 | $ - | $ - | $ 5,979,469 |
| Company common stock | - | - | 10,765,298 | 10,765,298 |
| Company Series A preferred stock | - | - | 23,587,363 | 23,587,363 |
| **Total investments at fair value** | $ 5,979,469 | $ - | $ 34,352,661 | $ 40,332,130 |

For the year ended December 31, 2020, the Plan's Level 3 investment, the Company common stock, had no purchases, issuances and no transfers into or out of Level 3.

## 4. FINANCIAL DATA CERTIFIED BY THE TRUSTEE

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the following information was certified as complete and accurate by the Trustee and was not subjected to any auditing procedures performed by the independent public accountants:

a. Noninterest-bearing cash and investments, at fair value as shown in the accompanying statements of net assets available for benefits as of December 31, 2020 and 2019.

b. Net depreciation of investments and interest and dividend income on investments, as shown in the accompanying statement of changes in net assets available for benefits for the year ended December 31, 2020.

c. Investments as listed in the accompanying Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2020.

d. Investment activity as shown in the accompanying Schedule H, Line 4j – Schedule of Reportable Transactions for the year ended December 31, 2020.

## 5. COMPANY DIVIDENDS

The Company paid a Series A preferred stock cash dividend of $0.2466 per share, or $901,771, to the Plan during the year ended December 31, 2020.

## 6. RISKS AND UNCERTAINTIES

The Plan consists primarily of the Company's common stock which is exposed to various risks, such as interest rate, market and credit risks, as well as valuation assumptions based on earnings, cash flows, and other such valuation techniques. Significant changes to the Company's operating results will impact the value to the Company's common stock and, accordingly, the Plan is subject to the same risks as the Company's operations and related concentrations. A significant change in fair value of the Company's common stock will significantly affect the net assets available for benefits. A reduction in the Company's cash flow could impact the ability of the Company to provide cash to the Plan for the redemption of stock from participants. The Company's stock represents 75 percent and 85 percent of the Plan's net assets at December 31, 2020 and 2019, respectively.

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The COVID-19 pandemic has affected, and may continue to affect, the market price of Plan assets. While the potential economic impact brought by, and the duration of, COVID-19 may be difficult to assess or predict, a widespread pandemic could result in significant disruption of global financial markets. The extent to which COVID-19 impacts the financial markets will depend on future developments that are highly uncertain and cannot be predicted.

## 7. PLAN TERMINATION

The Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan, subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in their Company contributions.

## 8. TAX STATUS

The Plan has received a favorable determination letter from the Internal Revenue Service, dated September 24, 2013, indicating the Plan is qualified under Section 401(a) of the IRC, and therefore, the Plan is exempt from tax under Section 501(a) of the IRC. The plan administrator is not aware of any activity or transactions that may adversely affect the tax-qualified status of the Plan. The Plan has been amended since receiving the determination letter, however, the plan administrator believes the Plan currently is designed and being operated in compliance with the applicable requirements of the IRC, and accordingly exempt from income taxes.

Accounting principles generally accepted in the United States of America require Plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2020, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

## 9. RELATED PARTIES AND PARTY-IN-INTEREST TRANSACTIONS

Plan investments, including Company common stock, are held by the Trustee. Transactions with the Trustee qualify as party-in-interest transactions for which exemptions exist. The Company pays for the administrative expenses of the Plan. The Plan has a number of service providers, and such providers are considered to be parties-in-interest under ERISA.

## 10. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through October 13, 2021, which is the date that the financial statements were available to be issued, and determined that there were no subsequent events or transactions that required recognition or disclosure in the financial statements, except as disclosed below.

Effective January 1, 2021, the Plan was amended to provide the ability for rebalancing on an annual basis which is designed to result in all participant accounts having the same proportion of Company stock.

**ALUMINUM PRECISION PRODUCTS, INC.**
**EMPLOYEE STOCK OWNERSHIP PLAN**
**EIN 95-2400026 PLAN #002**
**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**
**DECEMBER 31, 2020**

| Identity of issue | Description of investment | Cost | Current value |
|---|---|---|---|
| **Investments** | | | |
| Goldman Sachs Square Treasury Instruments Fund | Money Market Fund | $ 5,234,107 | $ 5,234,107 |
| * Aluminum Precisions Products, Inc. | 5,387,711 Shares Common Stock | 29,398,734 | 27,800,587 |
| | | $ 34,632,841 | $ 33,034,694 |

* Indicates a party-in-interest to the Plan.

*See notes to financial statements and accompanying independent auditor's report.*

**ALUMINUM PRECISION PRODUCTS, INC.**
**EMPLOYEE STOCK OWNERSHIP PLAN**
**EIN 95-2400026 PLAN #002**
**SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS**
**FOR THE YEAR ENDED DECEMBER 31, 2020**

| Identity of Party Involved | Description of Asset | Total Number of Purchases (Sales) | Purchase Price | Selling Price | Cost of Asset | Current Value of Asset on Transaction Date | Net Gain (Loss) |
|---|---|---|---|---|---|---|---|
| **Series Transactions** | | | | | | | |
| Goldman Sachs Square Treasury Instruments Fund | Money Market Fund | 15 | $ 960,431 | $ - | $ 960,431 | $ 960,431 | $ - |
| Goldman Sachs Square Treasury Instruments Fund | Money Market Fund | (16) | $ - | $ 1,670,320 | $ 1,670,320 | $ 1,670,320 | $ - |

*See notes to financial statements and accompanying independent auditor's report.*

**SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS**

**December 31, 2020**

**SPONSOR: ALUMINUM PRECISION PRODUCTS, INC.**

**EIN: 95-2400026**

**PLAN NUMBER: 002**

**NAME: ALUMINUM PRECISION PRODUCTS, INC. EMPLOYEE STOCK OWNERSHIP PLAN**

| (a) Identity of party involved | (b) Description of asset (include interest rate and maturity in case of a loan) | (c) Purchase price | (d) Selling price | (e) Lease rental | (f) Expense incurred with transaction | (g) Cost of asset | (h) Current value of asset on transaction date | (i) Net gain or (loss) |
|---|---|---|---|---|---|---|---|---|
| Goldman Sachs Fin Sq Tres Instruments Fd #506 | Goldman Sachs Fund | 960,431 | 0 | 0 | 0 | 960,431 | 960,431 | 0 |
| Goldman Sachs Fin Sq Tres Instruments Fd #506 | Goldman Sachs Fund | 0 | 1,670,320 | 0 | 0 | 1,670,320 | 1,670,320 | 0 |

SCHEDULE H, LINE 4i-SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DATE December 31, 2020

SPONSOR: Aluminum Precision Products, Inc.
EIN: 95-2400026
PLAN NUMBER: 002
NAME: Aluminum Precision Products, Inc. Employee Stock Ownership Plan

| | (a) | (b) Identity of issue, borrower, lessor or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value | (d) Cost | (e) Current Value |
|---|---|---|---|---|---|
| | | GOLDMAN SACHS FUNDS | GOLDMAN SACHS FIN SQ TREASURY | 5,234,107 | 5,234,107 |
| * | | ALUMINUM PRECISION PRODUCTS, INC. | ALUMINUM PRECISION PRODUCTS COMMON STOCK | 29,398,734 | 27,800,587 |

* A party-in-interest as defined by ERISA